1 2	Josh Voorhees, State Bar No. 241436 Warren M. Klein, State Bar No. 30395 THE CHANLER GROUP 2560 Ninth Street	88	
3   4	Parker Plaza, Suite 214 Berkeley, CA 94710 Telephone: (510) 848-8880 Facsimile: (510) 848-8118	JAMES M. KIM, Court Executive Officer MARIN COUNTY SUPERIOR COURT By: C. Lucchesi, Deputy	
5	Attorneys for Plaintiff JOHN MOORE		
6 7	JOHN MOORE		
8			
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	COUNTY OF MARIN		
11	UNLIMITED CIVIL JURISDICTION		
12			
13	JOHN MOORE,	Case No. CIV1503449	
14 15	Plaintiff, v.	- <del>[PROPOSED</del> ] JUDGMENT PURSUANT TO TERMS OF PROPOSITION 65 SETTLEMENT AND CONSENT	
16	WBC GROUP, LLC, et al.	JUDGMENT	
17	Defendants.	Date: Time:	
18		Dept.: B Judge: Hon. Roy O. Chernus	
19 20			
21			
22			
23			
<ul><li>22</li><li>23</li><li>24</li><li>25</li></ul>			
23 24			

Plaintiff John Moore and Defendant WBC Group, LLC, having agreed through their respective counsel that Judgment be entered pursuant to the terms of their settlement agreement in the form of a consent judgment, and following this Court's issuance of an order approving their Proposition 65 settlement and Consent Judgment, and for good cause being shown,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to Health and Safety Code section 25249.7(f)(4) and Code of Civil Procedure section 664.6, judgment is hereby entered in accordance with the terms of the Consent Judgment attached hereto as Exhibit 1. By stipulation of the parties, the Court will retain jurisdiction to enforce the terms of the settlement under Code of Civil Procedure section 664.6.

IT IS SO ORDERED.

MAR - 9 2016

ROY O. CHERNUS

JUDGE OF THE SUPERIOR COURT

# EXHIBIT 1

1	Josh Voorhees, SBN 241436	
2	Josh Voorhees, SBN 241436 Warren M. Klein, SBN 303958 THE CHANLER GROUP	
3	2560 Ninth Street Parker Plaza, Suite 214	·
4	Berkeley, CA 94710-2565 Telephone: (510) 848-8880 Facsimile: (510) 848-8118	
5	Attorneys for Plaintiff	
6	JOHN MOORE	
7	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
8	COUNTY	OF MARIN
+ 9	UNLIMITED CIVIL JURISDICTION	
10		
11	JOHN MOORE,	Case No. CIV1503449
12	Plaintiff,	[PROPOSED] CONSENT JUDGMENT
13	V.	(Health & Safety Code § 25249.6 et seq.)
14	WBC GROUP, LLC,	
15	Defendant.	
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18		
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	[PROPOSED] CON 607086694.6	SENT JUDGMENT

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#### 1. <u>INTRODUCTION</u>

#### 1.1 Parties

This Consent Judgment is entered into by and between plaintiff John Moore ("Moore") and defendant WBC Group, LLC ("WBC"), with Moore and WBC each referred to individually as a "Party" and collectively as the "Parties."

#### 1.2 Plaintiff

Moore is a resident of the State of California who seeks to promote awareness of exposures to toxic chemicals, and to improve human health by reducing or eliminating harmful substances contained in consumer and commercial products.

#### 1.3 Defendant

WBC employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code section 25249.5 *et seq.* ("Proposition 65").

#### 1.4 General Allegations

Moore alleges that WBC manufactures, imports, sells and/or distributes for sale in California vinyl/PVC exercise balls containing the phthalate chemical di(2-ethylhexyl) phthalate ("DEHP"), and that it does so without providing the health hazard warning that Moore alleges is required by Proposition 65.

#### 1.5 Product Description

The products covered by this Consent Judgment are vinyl/PVC exercise balls containing DEHP, including, but not limited to, the *Body Sport Fusion Ball, BDS10010, UPC #8 15802 01107 5* (collectively, "Products").

#### 1.6 Notice of Violation

On May 21, 2015, Moore served WBC and the requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"), alleging that WBC violated Proposition 65 when it failed to warn its customers and consumers in California that the Products expose users to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting an action to enforce the allegations set forth in the Notice.

#### 1.7 Complaint

On September 18, 2015 Moore commenced the instant action ("Complaint"), naming WBC, as a defendant for the alleged violations of Proposition 65 that are the subject of the Notice.

#### 1.8 No Admission

WBC denies the material, factual, and legal allegations contained in the Notice and Complaint, and maintains that all of the products that it has sold or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by WBC of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment constitute or be construed as an admission by WBC of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect WBC's obligations, responsibilities, and duties under this Consent Judgment.

#### 1.9 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over WBC as to the allegations contained in the Complaint, that venue is proper in the County of Marin, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

#### 1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date that the Court grants the motion for approval of this Consent Judgment contemplated by Section 5.

#### 2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

#### 2.1 Reformulated Products

Commencing on the January 1, 2016, and continuing thereafter, WBC shall only purchase for sale, manufacture for sale, import, sell, or distribute for sale in California "Reformulated Products," or Products that are sold with a clear and reasonable warning pursuant to Section 2.2 below. For purposes of this Consent Judgment, "Reformulated Products" are products that contain DEHP in concentrations of less than 0.1 percent (1,000 parts per million) when analyzed

pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or any other methodology utilized by federal or state agencies for the purpose of determining the DEHP content in a solid substance. In addition to the EPA test methods authorized above, the Parties may utilize equivalent methodologies employed by state or federal agencies to determine DEHP content in a solid substance.

#### 2.2 Product Warnings

WBC shall provide clear and reasonable warnings for all Products as set forth in subsection 2.2(a) below, commencing on January 1, 2016, and subsection 2.2(b) below, commencing on March 31, 2016, for all products that do not currently have warnings and that do not qualify as Reformulated Products. Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Product the warning applies, so as to minimize the risk of consumer confusion.

#### (a) Retail Store Sales.

(i) **Product Labeling**. WBC shall affix a warning to the packaging, labeling, or directly on each Product provided for sale in retail outlets in California that states:

WARNING: This product contains DEHP, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.

Or:

WARNING: This product contains chemicals known to the State of California to cause cancer, birth defects and other reproductive harm.

(ii) Point-of-Sale Warnings. Alternatively, WBC may provide warning signs in the form below to its customers in California with instructions to post the warnings in close proximity to the point of display of the Products. Such instruction sent to WBC's customers shall be sent by certified mail, return receipt requested.

1 2	WARNING: This product contains DEHP, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.		
3	Or:		
4 5	WARNING: This product contains chemicals known to the State of California to cause cancer, birth defects and other reproductive harm.		
6	•		
7	Where more than one Product is sold in proximity to other like items or to those that do		
8	not require a warning (e.g., Reformulated Products as defined in Section 2.1), the following		
	statement shall be used:1		
9   10	WARNING: The following products contain DEHP, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm:		
11	[list products for which warning is required]		
12	Or:		
13	WARNING: The following products contain chemicals		
14	known to the State of California to cause cancer, birth defects and other reproductive harm: [list products for which warning is required]		
15	(b) Mail Order Catalog and Internet Sales. In the event that WBC sells		
16			
17	March 31, 2016, that are not Reformulated Products, WBC shall provide warnings for such		
18	Products sold via mail order catalog or the internet to California residents. Warnings given in the		
19			
20	mail order catalog or on the internet shall identify the <i>specific</i> Product to which the warning		
21	applies as further specified in Sections 2.2(b)(i) and (ii).		
22	(i) Mail Order Catalog Warning. Any warning provided in a mail		
23	order catalog shall be in the same type size or larger than the Product description text within the		
24	catalog. The following warning shall be provided on the same page and in the same location as		
	the display and/or description of the Product:		
<ul><li>25</li><li>26</li></ul>	WARNING: This product contains DEHP, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.		
27			
28	For purposes of the Settlement Agreement, "sold in proximity" shall mean that the Product and another similar product are offered for sale close enough to each other that the consumer, under customary conditions of purchase, could not reasonably determine which of the two products is subject to the warning sign.		

4 [PROPOSED] CONSENT JUDGMENT **WARNING:** This product contains chemicals known to the State of California to cause

cancer, birth defects and other reproductive harm.

Where it is impracticable to provide the warning on the same page and in the same location as the display and/or description of the Product, WBC may utilize a designated symbol to cross reference the applicable warning and shall define the term "designated symbol" with the following language on the inside of the front cover of the catalog or on the same page as any order form for the Product(s):

WARNING: Certain products identified with this symbol ▼ and offered for sale in this catalog contain DEHP, a chemical known to the State of California to cause

cancer, birth defects and other reproductive harm.

WARNING: Certain products identified with this symbol ▼ and offered for sale in this catalog contain chemicals known to the State of California to cause cancer, birth defects and other reproductive harm.

The designated symbol must appear on the same page and in close proximity to the display and/or description of the Product. On each page where the designated symbol appears, WBC must provide a header or footer directing the consumer to the warning language and definition of the designated symbol.

(ii) Internet Website Warning. A warning shall be given in conjunction with the sale of the Products via the internet, which warning shall appear either: (a) on the same web page on which a Product is displayed; (b) on the same web page as the order form for a Product; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The following warning statement shall be used and shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the Product for which it is given in the same type size or larger than the Product description text:

1 2	WARNING: This product contains DEHP, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.		
3	Or:		
4	WARNING: This product contains chemicals		
5	known to the State of California to cause cancer, birth defects and other reproductive harm.		
6	Alternatively, the designated symbol may appear adjacent to or immediately following the		
7			
8	display, description, or price of the Product for which a warning is being given, provided that the		
9	following warning statement also appears elsewhere on the same web page, as follows:		
0	WARNING: This product contains DEHP, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.		
1	Or:		
2	WARNING: This product contains chemicals		
3	known to the State of California to cause cancer, birth defects and other reproductive harm.		
4	3. MONETARY SETTLEMENT TERMS		
5	3.1 Payments Pursuant to Health and Safety Code § 25249.7(b)(2)		
.6	Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all the		
7	claims referred to in this Consent Judgment, WBC shall pay \$16,000 in civil penalties in		
8	accordance with this Section. The penalty payment will be allocated in accordance with		
9.	California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the funds remitted to the		
20	California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining		
21	25% of the penalty remitted to Moore. Moore and Moore's counsel shall be responsible for		
22	remitting WBC's penalty payment(s) under this Consent Judgment to OEHHA.		
23	3.1.1 Initial Civil Penalty.		
24	WBC shall make an initial civil penalty payment of \$6,000. WBC shall provide its		
25	payment in a single check made payable to "John Moore, Client Trust Account" to be delivered to		
26	the address provided in Section 3.4, below.		
27	*		
8			

#### 3.1.2 Final Civil Penalty

On or before September 30, 2016, WBC shall pay a final civil penalty of \$10,000 in the manner set forth in Paragraph 3.1.1 above. The final civil penalty shall be waived in its entirety, however, if, no later than September 16, 2016, an officer of WBC provides Moore's counsel with written certification that, as of the date of the certification, all Products shipped, sold or distributed for sale in California are Reformulated Products, and that they will continue to provide only Reformulated Products in the future. The option to provide a written certification of reformulation in lieu of providing health hazard warnings and making the final civil penalty payment required by this Section is a material term, and time is of the essence. WBC shall deliver its certificate, if any, to Moore's counsel at the address provided in Section 3.4, below. In the event that WBC does not timely certify its compliance or make the final civil penalty payment required by this Section, Moore may seek relief under any available legal remedy. If successful, the Parties further agree that Moore shall be entitled to his reasonable attorneys' fees and costs pursuant to general contract principles and Code of Civil Procedure section 1021.5.

#### 3.2 Reimbursement of Attorneys' Fees and Costs

The Parties acknowledge that Moore and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, WBC expressed a desire to resolve Moore's fees and costs. The Parties then negotiated a resolution of the compensation due to Moore and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5 for all work performed in this matter. Under these principals, WBC agrees to pay \$31,000 to Moore and his counsel for all fees and costs incurred by Moore investigating, bringing this matter to WBC's attention, litigating, and negotiating a settlement of the matter in the public interest. WBC's payment shall be delivered pursuant to Section 3.3. and to the address in Section 3.4 in the form of a check payable to "The Chanler Group."

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### 4. <u>CLAIMS COVERED AND RELEASED</u>

#### 4.1 Moore's Release of Proposition 65 Claims

Moore, acting on his own behalf and in the public interest, releases WBC and its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, and attorneys ("Releasees") and each entity to whom they directly or indirectly distribute or sell the Products including, but not limited to, their downstream distributors, wholesalers, customers, retailers, franchisers, cooperative members, licensors and licensees ("Downstream Releasees") for any violations arising under Proposition 65 for unwarned exposures to DEHP from the Products manufactured, imported, distributed or sold by WBC prior to the Effective Date, as set forth in the Notice.

#### 3.3 Payment Timing; Payments In Trust

With the exception of the final civil penalty payment required by Section 3.1.2, WBC shall deliver all payments required by this Consent Judgment to its counsel within thirty (30) days of the date that this agreement is fully executed by the Parties. WBC's counsel shall confirm receipt of settlement funds in writing to Moore's counsel and, thereafter, hold the amounts paid in trust until such time as the Court grants the motion for approval of the Parties' settlement contemplated by Section 5. Within ten (10) days of the Effective Date, WBC's counsel shall deliver all settlement payments it has held in trust to Moore's counsel at the address provided in Section 3.4. In the event the final civil penalty payment required by Section 3.1.2 becomes due prior to the Effective Date, then WBC shall deliver the final civil penalty payment to its attorney to be held in trust until, and disbursed within ten (10) days after the Effective Date.

#### 3.4 Payment Address

All payments required by this Consent Judgment shall be delivered to the following address:

The Chanler Group Attn: Proposition 65 Controller 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710

#### 4.2 Moore's Individual Release of Claims

Moore, in his individual capacity only and *not* in his representative capacity, also provides a release to WBC, Releasees, and Downstream Releasees which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of Moore of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to DEHP in Products manufactured, imported, distributed or sold by WBC before the Effective Date.

In further consideration of the promises and agreements herein contained, Moore, on his own behalf, and on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees, hereby covenants not to sue and waives any right to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have, including, without limitation, all actions and causes of action in law and in equity, all suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to DEHP contained in the Products manufactured, distributed, sold and/or offered for sale by WBC before the Effective Date.

#### 4.3 WBC's Release of Moore

WBC, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against Moore and his attorneys and other representatives, for any and all actions taken or statements made by Moore and his attorneys and other representatives in the course of investigating claims, seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

#### 4.4 Mutual California Civil Code Section 1542 Waiver

The Parties, including Moore in his individual capacity and WBC, each acknowledge that he/it is familiar with Section 1542 of Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE,

## WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Parties, each on his/its own behalf, and on behalf of his/its past and current agents, representatives, attorneys, successors, and/or assignees, expressly waives and relinquishes any and all rights and benefits which he/it may have under, or which may be conferred on him/it by the provisions of Civil Code § 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that he/it may lawfully waive such rights or benefits pertaining to the released matters, which are defined as WBC's alleged or actual failure to warn about exposures to DEHP from the Products, and Moore and Moore's counsel's statements and actions made or taken in connection with the investigation or enforcement of Moore's claims with respect to the Products manufactured, imported, distributed, or sold before the Effective Date, as alleged in the Notice and Complaint.

#### 5. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court within one year after it has been fully executed by the Parties. Moore and WBC agree to support the entry of this agreement as a judgment, and to obtain the Court's approval of their settlement in a timely manner. The Parties acknowledge that, pursuant to California Health and Safety Code section 25249.7(f), a noticed motion is required for judicial approval of this Consent Judgment, which motion Moore shall draft and file, and WBC shall support, including by appearing at the hearing if so requested. If any third-party objection to the motion is filed, Moore and WBC agree to work together to file a reply and appear at any hearing. This provision is a material component of the Consent Judgment and shall be treated as such in the event of a breach.

#### 6. <u>APPLICATION OF JUDGMENT</u>

The obligations of this Consent Judgment shall apply to and be binding upon all plaintiffs acting in the public interest pursuant to Health and Safety Code § 25249.7(d), and WBC, and its successors and assigns. The terms contained in this Consent Judgment shall be submitted to the California Attorney General's office prior to the entry of this Consent Judgment by the Court.

#### 7. COMPLIANCE WITH SERVICE AND REPORTING REQUIREMENTS

Plaintiff and his attorneys agree to comply with the reporting and service requirements referenced in California Health and Safety Code section 25249.7(f), and Title 11, California Code of Regulations, section 3003, *et seq.*, providing the Attorney General's Office receive a form reporting of the settlement, and service of the Consent Judgment and all moving papers in support of the approval motion at least 45 days before the Court hears the motion.

#### 8. SEVERABILITY

If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision of this Consent Judgment is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

#### 9. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then WBC may provide Moore with written notice of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment, with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve WBC from its obligation to comply with any pertinent state or federal law or regulation.

#### 10. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) personal delivery, (ii) first-class registered or certified mail, return receipt requested; or (iii) a recognized overnight courier to any Party by the other at the following addresses:

Liz Cross	Attn: Proposition 65 Coordinator
WBC Group, LLC	The Chanler Group
6333 Hudson Crossing Parkway	2560 Ninth Street
Hudson, OH 44236	Parker Plaza, Suite 214
·	Berkeley, CA 94710-2565

1 With a copy to: 2 John F. Cermak, Jr. Baker & Hostetler LLP 11601 Wilshire Boulevard, Suite 1400 Low Angeles, CA 90025-0509 4 Any Party may, from time to time, specify in writing to the other Party a change of 5 address to which all notices and other communications shall be sent. 6 COUNTERPARTS, FACSIMILE AND PDF SIGNATURES 11. 7 This Consent Judgment may be executed in counterparts and by facsimile or portable 8 document format (pdf) signature, each of which shall be deemed an original and, all of which, when taken together, shall constitute one and the same document. 10 12. **MODIFICATION** 11 This Consent Judgment may be modified only by: (i) a written agreement of the Parties 12 and the entry of a modified Consent Judgment by the Court thereon; or (ii) upon a successful 13 motion of any party and the entry of a modified Consent Judgment by the Court thereon. 14 13. ENTIRE AGREEMENT 15 This Consent Judgment contains the sole and entire agreement and understanding of the 16 Parties with respect to the entire subject matter hereof, and any and all prior discussions, 17 negotiations, commitments, and understandings related hereto. No representations, oral or 18 otherwise, express or implied, other than those contained herein have been made by any Party 19 hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be 20 deemed to exist or to bind any of the Parties. 21 111 22 111 23 111 24 25 26 27 28

[PROPOSED] CONSENT JUDGMENT

## 14. **AUTHORIZATION** The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Consent Judgment. **AGREED TO:** AGREED TO: Dated: 01/04/2016 By: Elizabath Cross (Print Name) Dated: 12 38 15